



SunLine Transit Agency
May 12, 2020
10:30 a.m. – 12:00 p.m.

AGENDA

FINANCE/AUDIT COMMITTEE Special Meeting

VIA VIDEOCONFERENCE

Pursuant to California Governor Newsom's Executive Orders N-25-20 issued on March 4, 2020 and N-29-20 issued on March 18, 2020, the Finance/Audit Committee special meeting will be conducted remotely through Zoom. Please follow the instructions below to join the meeting remotely.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Join Zoom Meeting - from PC, Laptop or Phone

<https://zoom.us/j/86547037864>

Meeting ID: 865 4703 7864

Teleconference Dial In
888-475-4499 (Toll Free)
Meeting ID: 865 4703 7864

One tap mobile
+16699009128,,86547037864#

Phone controls for participants:

The following commands can be used on your phone's dial pad while in Zoom meeting:

- *6 - Toggle mute/unmute
- *9 - Raise hand

For members of the public wishing to submit comment in connection with the Finance/Audit Committee Meeting: all public comment requests need to be submitted via email to the Clerk of the Board at clerkoftheboard@sunline.org prior to May 11, 2020 at 5:00 p.m. with your name, telephone number and subject of your public comment (agenda item or non-agenda item). Members of the public may make public comments through their telephone or Zoom connection when recognized by the Chair. If you send written comments, your comments will be made part of the official record of the proceedings and read into the record.

ITEM

RECOMMENDATION

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting at SunLine Transit Agency’s Administration Building, 32505 Harry Oliver Trail, Thousand Palms, CA 92276 and on the Agency’s website, www.sunline.org.

In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, and the Federal Transit Administration Title VI, please contact the Clerk of the Board at (760) 343-3456 if special assistance is needed to participate in a Board meeting, including accessibility and translation services. Notification of at least 48 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.

ITEM

RECOMMENDATION

1. CALL TO ORDER

2. ROLL CALL

3. PRESENTATIONS

4. FINALIZATION OF AGENDA

5. PUBLIC COMMENTS

RECEIVE COMMENTS

NON AGENDA ITEMS

Members of the public may address the Committee regarding any item within the subject matter jurisdiction of the Committee; however, no action may be taken on off-agenda items unless authorized. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Comments may be limited to 3 minutes in length.

6. COMMITTEE MEMBER COMMENTS

RECEIVE COMMENTS

7. FISCAL YEAR 2021 OPERATING AND CAPITAL BUDGET OVERVIEW

**DISCUSSION
(PAGE 3-11)**

(Staff: Luis Garcia, Chief Financial Officer)

8. PURCHASE OF PROTECTIVE SHIELDS FOR OPERATORS

**APPROVE
(PAGE 12)**

(Staff: Rudy Le Flore, Chief Project Consultant)

9. ADJOURN

SunLine Transit Agency

DATE: May 12, 2020 **DISCUSSION**

TO: Finance/Audit Committee

FROM: Luis Garcia, Chief Financial Officer

RE: Fiscal Year 2021 Operating and Capital Budget Overview

Background

At the April 22, 2020 Board meeting, staff presented the estimated financial impacts of COVID-19 on the Agency. In addition to the estimated impacts to the Agency's operating budget, the Board of Directors requested that staff review capital projects with the potential of deferring capital projects in order to have funding available to address possible shortfalls. As a result, the Board requested that this special Finance/Audit Committee meeting be scheduled to go over the additional details.

In order to best provide the committee with a response, staff has prepared the attached presentation which provides an overview of the proposed FY21 operating and capital budget. One of the highlights of the proposed operating and capital budgets is a total request for FY21 of \$40,840,150 and \$6,298,206, respectively. Staff worked together to prepare an operating budget that kept the bottom line identical to the FY20 operating budget. Additionally, staff did a careful analysis of the existing capital program and is proposing a more moderate plan which represents a 50% decrease when compared to the capital request in FY20.

The proposed operating and capital budgets for FY21 represents staff's dedication on ensuring the Agency is in a stable financial position to respond to the many unknown variables related to COVID-19. This budget will allow the Agency to operate efficiently while also allowing the Agency a means to re-build service and ridership to meet the needs of the Coachella Valley. To remain consistent with previous years, staff will bring forward the entire draft budget for discussion at the May 27, 2020 Board meeting and a subsequent formal adoption of the budget at the June Board meeting.



Operating and Capital Budget
Fiscal Year 2021
May 12, 2020

Agenda

- Operating Budget Summary
- FY21 Proposed Operating Budget
- Capital Budget Summary
- FY21 Proposed Capital Budget

Operating Budget

Operating Budget Summary

- FY21 operating budget process focused on resource prioritization and strategic goal alignment
- In FY21 SunLine is proposing an operating budget of \$40,840,150
- The operating budget encompasses such costs as driver salaries, administrative salaries, fuel, insurance premiums, and other overhead costs required to run day to day operations

FY21 Proposed Budget

Proposed Budget

- FY21 Budget \$40,840,150
- Net Increase \$0
- Percent increase 0%

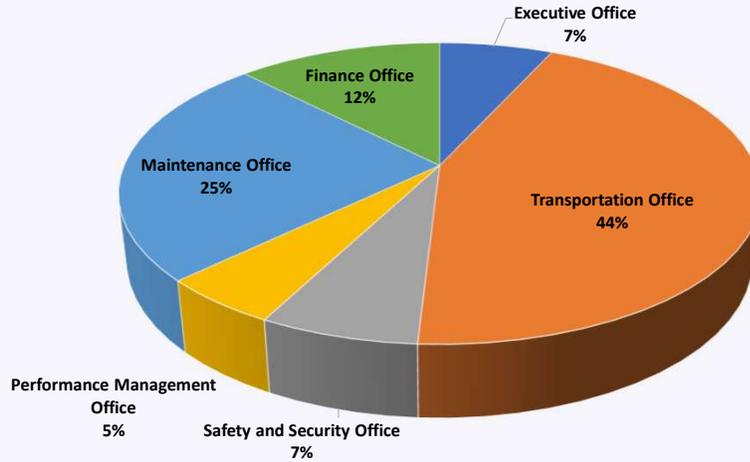
Operating Expenditures

- Wages and Fringe
- Services
- Insurance Premiums
- Fuels and Lubricants

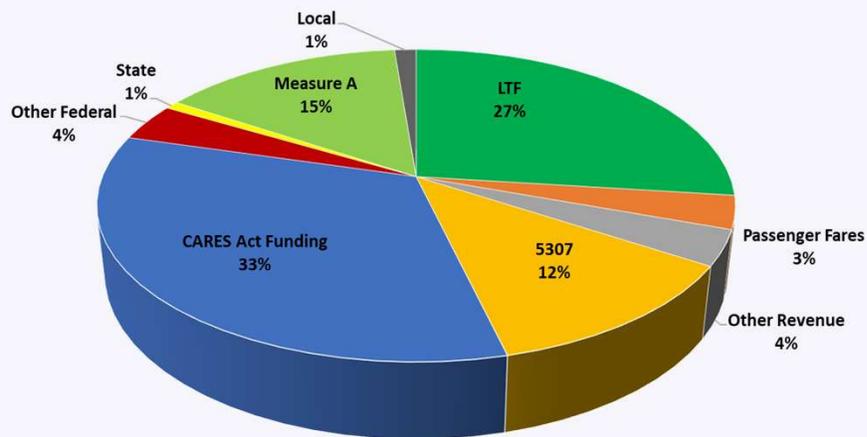
FY21 Budget Comparison

Operating Expenses:	FY20 Budget	FY21 Budget	Variance
Wages & Benefits	28,502,410	27,606,063	(896,347)
Services	4,110,151	3,930,788	(179,363)
Fuels & Lubricants	2,140,724	2,458,579	317,855
Tires	291,800	226,381	(65,419)
Materials and Supplies	1,808,028	1,859,844	51,816
Utilities	1,902,500	2,310,240	407,740
Insurance Premiums	2,155,119	2,892,950	737,831
Taxes and Fees	116,500	132,000	15,500
Miscellaneous Expenses	1,583,700	1,359,460	(224,240)
Self Consumed Fuel	(1,770,782)	(1,936,155)	(165,373)
Total	40,840,150	40,840,150	-

Expense By Office



Revenue/Subsidy By Source



Capital Improvement Program

Capital Projects Summary

- Interdepartmental collaboration
- Utilize competitive and discretionary grants
- Continue SunLine's investment in increasing zero emissions technology and infrastructures
- Make long term commitments in SunLine's operational capabilities, energy strategies, and the mandated California Air Resources Board's Innovative Clean Transit rule

Original Request

Project Description	FY21 Proposed Budget
Microgrid to Hydrogen Phase II	1,038,101
Replacement Bus	768,000
SunRide Vehicle Purchase (4)	582,489
Vans for Service Expansion (3)	179,200
Purchase Computer Hardware	4,120
SunLine Center of Excellence in Zero Emissions Technology	679,796
Upgrade Division 1 Fence	100,000
Public Hydrogen Station	2,500,000
Indio CNG Station Upgrade	1,500,000
Safety Enhancement Projects	60,000
Bus Refurbishment	2,500,000
Maintenance Tools and Equipment	89,500
Replacement Support Vehicles (3 Trucks)	415,000
Information Technology Projects	660,000
Operations, Division II, & Electrolyzer Access Control Surveillance	250,000
Perimeter Lighting Division I	80,000
Facility Improvements	80,000
TOTAL	11,486,206

Updated Request

Project Description	FY21 Proposed Budget	Revised Request	Variance
Microgrid to Hydrogen Phase II	1,038,101	1,038,101	-
Replacement Bus	768,000	768,000	-
SunRide Vehicle Purchase (4)	582,489	582,489	-
Vans for Service Expansion (3)	179,200	179,200	-
Purchase Computer Hardware	4,120	4,120	-
SunLine Center of Excellence in Zero Emissions Technology	679,796	679,796	-
Upgrade Division 1 Fence	100,000	100,000	-
Public Hydrogen Station	2,500,000	1,700,000	(800,000)
Indio CNG Station Upgrade	1,500,000	-	(1,500,000)
Safety Enhancement Projects	60,000	60,000	-
Bus Refurbishment	2,500,000	-	(2,500,000)
Maintenance Tools and Equipment	89,500	89,500	-
Replacement Support Vehicles (3 Trucks)	415,000	415,000	-
Information Technology Projects	660,000	272,000	(388,000)
Operations, Division II, & Electrolyzer Access Control Surveillance	250,000	250,000	-
Perimeter Lighting Division I	80,000	80,000	-
Facility Improvements	80,000	80,000	-
TOTAL	11,486,206	6,298,206	(5,188,000)

Updated Request

Project Description	FY21 Proposed Budget	Revised Request	Variance
Microgrid to Hydrogen Phase II	1,038,101	1,038,101	-
Replacement Bus	768,000	768,000	-
SunRide Vehicle Purchase (4)	582,489	582,489	-
Vans for Service Expansion (3)	179,200	179,200	-
Purchase Computer Hardware	4,120	4,120	-
SunLine Center of Excellence in Zero Emissions Technology	679,796	679,796	-
Upgrade Division 1 Fence	100,000	100,000	-
Public Hydrogen Station	2,500,000	1,700,000	(800,000)
Indio CNG Station Upgrade	1,500,000	-	(1,500,000)
Safety Enhancement Projects	60,000	60,000	-
Bus Refurbishment	2,500,000	-	(2,500,000)
Maintenance Tools and Equipment	89,500	89,500	-
Replacement Support Vehicles (3 Trucks)	415,000	415,000	-
Information Technology Projects	570,500	272,000	(298,500)
Information Technology Projects	89,500	-	(89,500)
Operations, Division II, & Electrolyzer Access Control Surveillance	250,000	250,000	-
Perimeter Lighting Division I	80,000	80,000	-
Facility Improvements	80,000	80,000	-
TOTAL	11,486,206	6,298,206	(5,188,000)

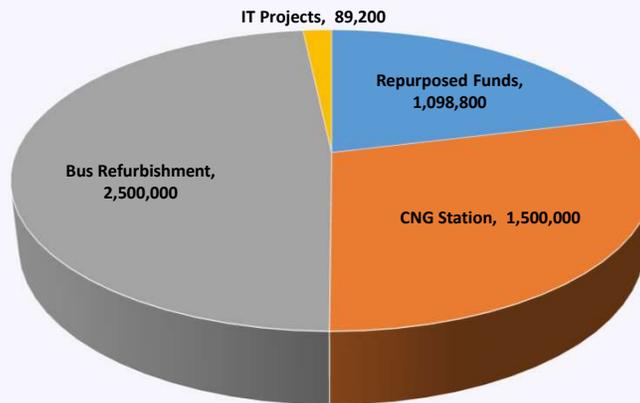
Repurposed Funds:

- Tow Truck \$400,000, Hydrogen Station Improvement \$400,000, Simulator \$298,800

Updated Request

Project Description	FY21 Proposed Budget	Revised Request	Variance
Microgrid to Hydrogen Phase II	1,038,101	1,038,101	-
Replacement Bus	768,000	768,000	-
SunRide Vehicle Purchase (4)	582,489	582,489	-
Vans for Service Expansion (3)	179,200	179,200	-
Purchase Computer Hardware	4,120	4,120	-
SunLine Center of Excellence in Zero Emissions Technology	679,796	679,796	-
Upgrade Division 1 Fence	100,000	100,000	-
Public Hydrogen Station	2,500,000	1,700,000	(800,000)
Indio CNG Station Upgrade	1,500,000	-	(1,500,000)
Safety Enhancement Projects	60,000	60,000	-
Bus Refurbishment	2,500,000	-	(2,500,000)
Maintenance Tools and Equipment	89,500	89,500	-
Replacement Support Vehicles (3 Trucks)	415,000	415,000	-
Information Technology Projects	570,500	272,000	(298,500)
Information Technology Projects	89,500	-	(89,500)
Operations, Division II, & Electrolyzer Access Control Surveillance	250,000	250,000	-
Perimeter Lighting Division I	80,000	80,000	-
Facility Improvements	80,000	80,000	-
TOTAL	11,486,206	6,298,206	(5,188,000)

Summary of Deferred and Repurposed Funds



Questions/Discussion

SunLine Transit Agency

DATE: May 12, 2020 **ACTION**

TO: Finance/Audit Committee

FROM: Rudy Le Flore, Chief Project Consultant

RE: Purchase of Protective Shields for Operators

Recommendation

Recommend that the Board of Directors authorize the CEO/General Manager to negotiate and execute an agreement to purchase protective shields to protect SunLine's operators and the public from the spread of COVID-19 in an amount not-to-exceed \$800,000.

Background

Staff received approval last month from the Board of Directors to expend Coronavirus Aid, Relief, and Economic Security Act (CARES) funds made available by the federal government as well as Federal Emergency Management Agency (FEMA) funds to address additional costs associated with the COVID-19 pandemic.

Given the nature of this pandemic, time is of the essence when considering items that will be used to protect SunLine's workforce and the public. Staff believes that protective shields in its revenue vehicles meets this objective. The rapid completion of this project will also allow the Agency to resume fare collection. Staff has received independent estimates for the purchase of these shields from peer transit agencies. These shields will be installed in both its fixed route and paratransit fleets. These estimates confirm an amount not to exceed \$800,000 would be adequate.

Staff will confirm that the costs being expended on these shields are fair and reasonable in accordance with SunLine's Procurement Policy and Federal Transit Administration guidelines.

Financial Impact

The \$800,000 for this purchase will be from CARES Act and FEMA funding provided by the federal government for these purposes.